

Health Care Services Division Response to HCR 25 of the 2016 Regular Legislative Session

HCSD recognizes the fiscal constraints of the state and the agency and has taken proactive measures to ensure its operations are efficient. As such, over the past three years, 6 of our 7 hospitals were privatized. The Central Office and Lallie Kemp Medical Center remain.

The Central Office core functions:

- Patient care support through administrative (e.g. HR, IT, finance, billing, legal, compliance, etc.) and accountable care services for Lallie Kemp Medical Center.
- Management and delivery of contracted services obligations to partner hospitals under the CEAs
 - IT infrastructure and support services and clinical software and support services
 - Central billing office and collections services
 - Provider services
 - Property and equipment lease management
- Management of FEMA closeout and settlements for Hurricanes Katrina, Rita and Isaac. There are 39 open PW's representing \$39.5m.
- Management of former LSU hospital cost reports – 119 cost reports currently open with a book value of \$156,032,790m, balance due HCSD is \$9,473,043m.
- Management of 10-year obligation and legal compliance for maintenance and availability of the patient medical records and radiology images from the former LSU hospitals.
- Real property management of former LSU HCSD hospital facilities no longer in service.
- Telemedicine
 - SOMET – Telemedicine infrastructure, scheduling and support services for LSUHSC-NO School of Medicine Telemedicine specialty care for Department of Corrections prisoners
 - Louisiana Health Care Connections (LHCC) Telemedicine – Telemedicine infrastructure, scheduling and support services for LSUHSC-NO specialists telemedicine care to LHCC patients (adults and children) seen from Lallie Kemp Medical Center
 - Lallie Kemp – University Medical Center Telemedicine – Telemedicine infrastructure, scheduling and support services for LSUHSC-NO specialists at University Medical Center telemedicine care to Lallie Kemp Medical Center patients

- School of Medicine Teleconferencing – Telemedicine infrastructure, scheduling and support services for LSUHSC-NO School of Medicine grand rounds for residents/faculty at UHC Lafayette, OLOL and OLOA.
- Management and support of capital outlay projects for partner hospital improvements.
- Management of state legal legacy obligations and payment of state legacy costs.

To ensure continued fiscal responsibility, HCSD reviews the status of revenues and expenses on a monthly basis to ensure that we are maximizing and collecting all possible revenue and minimizing expenses.

Another goal is to make sure that personnel are being used in the most efficient manner possible. We have reduced HCSD Central Office FTEs from 166 in 2012 to 121 today, a reduction of 27%. We continue to closely monitor staffing levels to maximize efficiency. At the Central Office, effective in December 2016, staffing is being reorganized and duties consolidated which will result in an additional reduction of full time unclassified positions, job appointments, and temporary employees. Additionally, the duties of retiring employees will be absorbed by remaining staff. Furthermore, in FY 2016, several contracts will be terminated. Technology acquisitions will be reduced by 40%. We also plan to relocate existing office space in New Orleans effective January 1, 2017, thus reducing rental expense.

Lallie Kemp Regional Medical Center:

A critical access hospital serving the indigent and needy patients of Tangipahoa, St. Helena, Livingston and East and West Feliciana Parishes. Programs and clinic services such as primary care, asthma care programs, and diabetes services are offered by the hospital.

Lallie Kemp is also taking measures to ensure efficiency as well as to maximize non-state revenue. At Lallie Kemp patient care positions are given priority over non-patient care positions. A process is in place to review every position with the Administrator, HR Director and CFO before the position is offered. There have been efforts to reduce wait time resulting in an increase in patient visits. For surgical visits, patients seen increased from 1,579 in FY 2014 to 2,334 in FY 2015. For outpatient clinic visits, patients seen increased from 28,534 in FY 2015 to 34,120 in FY 2016. An increase in non-general fund revenue is expected with the increase in patient volume. Finally, multidisciplinary meetings are held monthly with productivity reports reviewed and discussed during this meeting.

Going forward, HCSD will continue to monitor and reduce expenses where appropriate. HCSD will also seek out alternative sources of revenue to reduce its dependence on state funds.